Collections Regional Director Interview Questions

CHICAGO Service Center (CSC)
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TOP Hearing Process

1.	Describe the TOP Hearing Process	- Borrower sent 65 day notice and are given approx. 65 days to take action (i.e. begin repayment or request a hearing) - Identify eligible accounts and sent to Treasury - Treasury returns tapes - Eligible accounts are sent letters once per year - usually at the end of July or early August 1997-1998 began only sending one letter instead of several reminders - Oral hearings are conducted for in-person hearings (low volume) by regional staff
2.	What processes are internal vs. contracted?	Both – many cases require additional research
3.	Is this a repeatable process or does it change from borrower to borrower?	PIC is involved in preparing the repeatable hearing process
4.	Is this process the same for every region, or does it change for AWG and GA Hearings?	- Hearing requests go to PIC to log and make preliminary response - These drafts are then returned to DoED to sign off - TOP is unique b/c it involves federal employee offset or requests for hardship and refund is offset (300/yr.) - TOP process collects $ 1/2 billion/year (Expert: Adele Gabrielli) - AWG involves PCA's - GA's – conduct own TOP hearings and those appeals are send to the Secretary of Education in San Francisco???
5.	On average, how many hearings are processed each month/year?	7,000-8,000 hearing requests/year - New York had 20 hearing requests 2 years ago and 12 requests last year - September is the high volume time
6.	How long is the cycle time from when a hearing is requested to when it is completed?	- PIC completes hearings in about 8 days - SFA does 95% of hearings by the time they are certified (500-1,000)
7.	Is this process automated or manual and what does that look like?	
8.	How are cases assigned to employees?	
9.	How many employees are involved in a case at a time?	- Usually 1/case 17 FTE's in this branch/62 FTEs in the total region
10.	What skills/knowledge do employees processing hearings require?	- During low season – spend time clearing up accounts - During high season – 90% of staff proficient in hearings process
11.	What oversight does HQ have in this process, if so how?	
12.	Is travel involved? (If so, where and why?)	Some travel involved in New York hearings – 2 staff members are sent to NYC for 2 weeks.
13.	Other questions	

Other Comments

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Loan Services

1. Describe the Loan Services process (5 tier approach)	- PIC maintains logs of all functions - Process excess non control mail that PIC can't handle - Accept direct calls – have a phone routing system for all regional employees to accept direct calls - Ombudsman inquiries – 3-4 people are assigned to these calls
2. What activities take place?	PIC performs the activities, regional employees review their work
3. Are these activities consistent with the other regions and are the processed the same from region to region?	Consistent - Data entry - FMS – few inquiries
4. What activities are completed in house vs. by contract support?	
5. What parts of the process are automated vs. manual?	
6. What is the average cycle time for processing a loan from the time you receive a request to when it is complete?	11 FTE's total in this branch - Potential to spend 30 days to resolve cases 500 Ombudsman cases since Oct. - Only had 500 for the whole year last year 300 calls/day 200 pieces of mail/month
7. How are contacts assigned?	
8. Is the loan service a one-to-one ratio of employees to borrowers?	
9. What skills/knowledge is required to process a loan?	
10. Is training provided to acquire necessary skills or is it more "OJT"?	
11. Is travel involved? (If so to where and why?)	
12. What oversight does HQ provide?	
13. Who are your customers?	
14. Other questions	

Other Comments

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Contract Services

1.	Describe the PIC contract process	• PIC provides borrower customer service for the region – this is what the Chicago Region is organized around, customer service. They also support the Call Center (Dena Bates), 1-800-4-FED-AID, and Ombudsman (sub-correspondence). • For debt collections they manage tele inquires (IVRU), handle routine and complex correspondence (mail), Treasury Offset, and assist Loan Rehab Sales
2.	What processes are internal vs. contracted?	<u>PIC</u> • First POC for answering calls • Receives, opens, sorts, and scans non control and control (sensitive Congressional) mail • Paid based on the complexity of correspondence • For control mail, PIC drafts responses and sends to Chicago to send with an official DoED signature <u>SFA</u> • PIC sends to region if complex issues that need further investigation • Contract services audit PIC's responses
3.	Is this a repeatable process or does it change much from borrower to borrower?	Both – A lot of inquirers require giving the borrower a history of the account. The level of detail required and requested may change from borrower to borrower
4.	What processes are automated vs. manual?	<u>Automated</u> **Tapestry Systems** – PIC punches in variables given the situation, i.e. GA, loan type, school, etc. to produce standards paragraphs and letter <u>Manual</u> **Standard paragraphs and letters** – based on the complexity of the correspondence

5.	How many PIC agencies are you working with?
	
	Recommendation: Need more then one PIC contract to lower cost by driving up the competition.
		ONE – NCS Pearson (NCS = National Computer Systems)
		
		It functions as a:
		   6. Call center
		   7. Assist Ombudsman
		   8. Answers 1-800-4-FED-AID calls and performs loan servicing.

6.	How is the assignment of employees to contractors assigned?	
7.	Is there any overlap/assistance from the Customer Service & Support Call Center?	No - They answer mainly loan servicing accounts and some overflow. Chicago primarily works with the back-end of borrowers disputes. Chicago works closely with Ombudsman but not as closely with 800-4-FEDAID. PIC is viewed as an extension of DoED and there is a good working relationship PIC is helping out with student refunds. Many calls are forwarded to Lawrence, Kansas

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8. On average, how many inquiries processed in a week/month/year?	<u>October 1, 2000 – June 30, 2001</u>
	• Answered approx. 1M calls
	  – 655k calls answered
	  – 250k no response necessary (IVRU) Interactive Voice Response Unit
	  – Non-control mail – 150K written
	• Control mail – 2,500/year
	• 2,500 Refunds (January – July 2001)
	• 7,000 hearings/year
	• #? Account adjustments
	• 3 million active account in the portfolio

9. How are assignments made to employees?	<u>S.S. Number of Borrower –</u> last two digits of the borrowers social security number indicates who will be processing the call. This is a system that the team set-up

10. What skills/knowledge do SFA employees require?	Have to know the entire loan process and be able to conduct research:
	  – Loan programs
	  – Origination of the loan
	  – Schools administration
	  – Collections process and options
	  – Etc.
	
	<u>Cross-trained in all areas –</u> All employees are trained at being able to operate in any office. Everyone answers phone calls (from clerk to sr. loan analyst)

11. Is training provided or are these skills acquired On The Job (OJT)?	<u>O.J.T.</u> – Most training is provided "On The Job" <u>Mentoring Program –</u> A program has been in place for training and support
12. What oversight does HQ have in this process? *Recommendation: Collections manage debt collections portion of the contract, rather than the Call Center (Dena Bates)*	<u>Contract Management –</u> Shirley Wheeler manages their contracts <u>Call Center –</u> Dena Bates is the COTR for the PIC. She provides primary oversight Whenever the region wants to modify PIC, they have to go through Shirley and Dena to make a change. All financially related matters pertaining to the contract must go through the Call Center (Dena Bates)

13. Is travel involved? (If so where and why?)	<u>One on-site monitor at PIC</u> - His skills are technical, his is not familiar with researching capabilities
	
	<u>PBO on the Frontlines -</u> As part of the PBO training, Collections took a closer look at their customer interface and asked their customer (PIC) what they wanted and needed. Their response was:
	  – More training
	  – More one-on-one contact with SFA employees
	
	In response, the region provided the following:
	  – 1-2 people on site every week to aid in research, training, monitoring and auditing
	
	It is a 2.5 – 3 hour drive to Cedar Rapids, IL.

14. Other Questions…	How long is the average phone call (1M answered/year)?
	How does your Mentor Program operate?
	Details about what is being done in about Knowledge Management?

Other Comments

1995 Reorganization
- **Work Load –** Divided up responsibilities in the regions based on how work fluctuates, i.e. PIC heavy fall and early winter volume, TOP-heavy spring volume of phone calls.
- **Developed Proficiency Process** – Laid out tasks and responsibilities to do each job and area
- **Cross-Trained/Career Progression** – Employees trained to do ALL functions to be able to help out on special projects, advance in their career, and share the work load based on volume, i.e. there is a back log in refunds right now – a team has been assembled to process the work load.
- **PIC, Hearings, and Loan Servicing -** Each group has separate audit processes

12 FTEs
Responsibilities include:
- Contract monitoring
- Responding to phone call
- Mail correspondence - control/non-control
- Auditing the PIC

Capturing Knowledge Capital
- Losing 20% of staff to retirement – Most employees have worked 20+ years
- There are less than 10 employees who have been with DoED for less than 2 years
- Need to find a way to capture knowledge capital – developing an interactive training manual to capture history and knowledge – Currently 25% complete

Employee Satisfaction = Retention = Interesting Work
- Diane has been with the regional office since 1978 – The reason she has stayed so long is due to the constant change in their work," it is never stagnant – as long as there is change it keeps people excited".

Contract Support
- As the responsibilities increase and the people decrease, need to look for ways to contract out services

- IC = Iowa City
- LK = Lawrence, Kansas

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IV&V (Refund Verification)

1.	Describe the Internal Validation and Verification process	• Program that identifies overpaid or credit balance accounts • Can occur if employer doesn't stop AWG payments after loan is paid in full • CCL – Collections Cost Lawsuit – PCA's can deduct maximum of 25% since 1995 – SFA had to reexamine all accounts and make adjustments if necessary • -Just started reprocessing – have to look back about 10 years • Working with PIC to process accounts - 8,000 last month • NSLDS (National Student Loan Database) – difficulty speaking same code language so a mad dog team was established • Currently working on cleaning up closed non-default NSLDS loans
2.	What processes are internal vs. contracted?	
3.	Is the process automated or manual?	• Most accounts are done by manual research (only 40% automated-legacy system)
4.	Is this a repeatable process or does it change much from borrower to borrower?	
5.	On average, how many accounts are processed weekly/monthly/yearly?	• 35,000 accounts since fiscal year • Logged 24,000 in the last 2 months due to lawsuit • 21,000 accounts processes/year in past
6.	How are accounts assigned to employees?	
7.	What is the cycle time from when you receive an account to when it is closed (in your area)?	• Takes about 2 mo. to process refund • Normally take 7-10 days • Once work the account and put in the system, the processing time shouldn't take more then 10 days
8.	How many employees are involved in an account at any given time?	• 6-7 FTE's handle refunds
9.	What skills/knowledge is required for processing an account?	• Cross sectional teams created to address back log • Offering an incentive to meet goal – they can receive half a day off and ice cream celebration
10.	Is training provided or is it mostly OJT?	
11.	Is travel involved? (If so, where and why?)	• No • Contract Services travel quite a bit • Want to send 2-3 individuals/week but usually only go a few days per/month
12.	What oversight does HQ provide in this process?	
13.	Other questions	

Other Comments
Other Responsibilities Include:

National Student Loan DB
• NSLDS legacy system don't talk the same language
• Mad Dog team to work to change
• 100,000 entries didn't match
• 200,000/month have to clean up

Closed Non-Default NDSL Fund
• Look at different options to not service these loans

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